

Medical Necessity

Revised 01-01-2016

For a service or item to be allowed against spenddown, reduce HCBS obligation or to be used as a deduction for food assistance, it must be medically necessary. The guidelines in this document shall be used to determine if a service or item is medically necessary for purposes of these program services only. These guidelines are not appropriate for persons in nursing facility arrangements, as most of the items listed are considered routine for nursing facility consumers and should be covered by the NF (reference ACH Provider Manual, section 8400). Verification of the medical expenses is required in all situations.

A. **Definition:** Medical necessity refers to a health intervention that meets the following guidelines:

1. it is recommended by the treating physician or other appropriate licensed medical professional.
2. it has the purpose of treating a medical condition.
3. it provides the most appropriate supply or level of service, considering potential harms and benefits to the patient.
4. it is known to be effective in improving health outcomes.
5. it is cost-effective for the condition being treated when compared to alternative interventions.

B. **Guidelines:** Items and services covered by Medicaid are considered medically necessary. Other interventions may be medically necessary if the above conditions are met. The following guidelines apply:

1. The items must be prescribed by an appropriate licensed practitioner authorized by state law or other qualified health professional and be for a specific medical conditions. A medical practitioner cannot prescribe or establish medical necessity outside of his/her area of expertise (e.g. an optometrist can prescribe only eye-related services and medication).
2. The usual and customary rate is used when allowing any approved item or service. This is generally the amount the provider actually charged the individual. However, charges which appear excessive or beyond usual and customary rates may be submitted to EES Administration for review. See item B (5) below.
3. The item is allowed at the quantity and duration indicated by the ordering medical practitioner. Excessive quantities shall be submitted to EES Administration for review. Where lock-in providers exist, services and items provided or ordered by other like practitioners should be carefully reviewed, as they would generally not be allowable unless there were special circumstances, such as an emergency.
4. Verification of medical necessity is required. This may be done by a doctor's statement, prescription form or the Statement of Medical Necessity Form (Appendix Item P-2). The medical condition for which the item is necessary as well as the prescribed level or

frequency of service or necessary dosage should be included. The duration of the needed intervention should also be noted.

5. A list of services and items that may be allowed follows in Section D. Allowances for services not exceeding the limitations described in the medical necessity documentation may be allowed.
6. If the item/service is not on the list, if a home modification exceeds \$500.00 or if allowable home health expenses exceed the limits, Kansas Health Policy Authority or EES Administration staff determine if the expense is medically necessary. The determination considers the individual client's circumstances and needs. Requests for a determination shall include a description of the item or service, program involvement, and any other pertinent facts. The request and all supporting material should be sent to the following address:

Medical Assistance Manager KDHE
Landon State Office Building, Suite 900
900 SW Jackson
Topeka, Kansas 66612

Food stamp requests are sent to Food Stamp Manager; DCF-EES Division at this address:

Department for Family and Children
555 S Kansas Ave., 4th Floor
Topeka, Kansas 66603
Or, fax the information to (785) 296-6960

7. Medicaid, Medicare and other applicable third party insurances must be billed and resolved prior to making any allowance.

C. **Non-Medically Necessary Items:** Certain items and services are never medically necessary, and are excluded from consideration. These include, but are not limited to, the following:

1. A sex change operation, cosmetic surgery, reversal of sterilization.
2. Alternative therapies, such as acupuncture, massage therapy, homeopathy, naturopathy, herbal therapies, magnet therapy, prolotherapy and hydrotherapies.
3. Household items that can be used for non-medical purposes such as air conditioners, humidifiers/dehumidifiers, water beds, food scales, weight scales, blenders, sunglasses (including prescription), heat lamps, vaporizers, hot water bottles, heating pads and exercise equipment.
4. Services provided by nursing facilities which are non Medicaid certified and those provided for a person who fails to meet level of care or provided during a period of ineligibility due to a transfer of property penalty period.
5. Community based services not provided by a medical practitioner or Medicaid -certified

facility which have not been approved through the community-based screening team, except as noted in item 23 below.

6. Nonmedical expenses incurred in an assisted living or residential care facility, including room and board charges, are not medically necessary.
7. Over-the-counter drugs not prescribed by an appropriate licensed medical practitioner
8. Rubbing alcohol, antacids, laxatives, enzymes, mineral supplements, vitamins (except prenatal), distilled water, cotton balls, facial tissues, toilet paper, and band-aids, even if prescribed by a medical practitioner.
9. Food or food supplements and other special diets and aids, such as Medifast and Slim Fast.
10. Delivery and shipping/handling charges for pharmacy and durable medical equipment.
11. The premium for a non-Medicare medical discount card. If a client has a medical discount card, the discounted cost of allowable expenses(not the full cost) are allowable toward spenddown and as a food stamp deduction. (Also see D-26).
12. For medical only (does not apply to Food Assistance), services or items provided outside of the United States. United States is defined as the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

D. Medically Necessary Items or Services: The following items are allowable with proper documentation of medical necessity from an appropriate medical practitioner:

NOTE: For food assistance, proper documentation of medical necessity from an appropriate medical practitioner is only needed if the expense is questionable.

1. Adult day care- See item 23.
2. Alternating Pressure Pads and Pumps.
3. Assisted Living: For persons meeting HCBS level of care, costs of residing in an assisted living facility are allowable, with the exception of the portion attributable to room and board expenses (not applicable to food assistance).
4. Beds: Specialty beds such as hospital beds and specialty mattresses (e.g. water mattresses to relieve bed sores), bed rails, mattress covers.
5. Bedpans, urinals and basins.
6. Canes and Crutches.
7. Chiropractic Services.

8. Diapers and sanitary napkins, when used for incontinence, and other supplies such as underpads and chuxs.
9. Diet aids available through prescription (such as Meridia and Xenical). Diet supplements such as Ensure, Isocol or Carnation Instant Breakfast needed by an individual to maintain weight are allowable for medical only (also see C (8) above).
10. Dental services (e.g. examination, cleaning, extractions, dentures, denture realigning, fillings, orthodontics) not covered by Medicaid. For the PD, MRDD, and TBI (HI) HCBS waivers, services are allowable with certification from the case manager or ILC that services are not covered under the waiver.
11. Diabetic supplies -blood glucose monitors and supplies; including lancets, syringes and needles.
12. Dressing items (Applicators, tongue blades, tape, gauze, bandages, pads and compresses, ace bandages, Vaseline gauze, slings, splints, triangle bandages, pressure pads). Also see Item C (7) above.
13. Drugs- prescription/legend drugs when prescribed by a licensed practitioner authorized under state law. Over-the-counter/non-legend drugs and antiseptics when prescribed by an appropriate practitioner to treat a specific medical condition. Also see Items C (6) and (7) above.
14. (Service) Dogs and other Service Animals as defined by industry standards. Service animals are highly trained to meet the needs of the owner. Therapy, social or companion animals are not considered service animals. The cost of obtaining, replacing and maintaining the animal, including the costs of dog food and veterinarian bills.
15. Emollients, skin bonds or oils to prevent a condition from worsening.
16. Enema and enema equipment.
17. Eyeglasses or contact lenses prescribed by a physician skilled in eye disease or by an optometrist.
18. Feeding tubes - parenteral and enteral infusion pumps.
19. Foot cradles and foot boards.
20. Gel pads or cushions, such as Action Cushion.
21. Gloves (rubber or plastic); masks.
22. HCBS obligation for food assistance only. When the HCBS obligation is reduced due to other medical expenses, case should be taken to determine if the other expenses are allowable for food assistance.

For example: HCBS obligation is \$200 and is reduced to \$50 due to past due and owing

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bills that are determined not allowable for food assistance. The allowable obligation for food assistance is \$50.

23. Hearing aids and batteries.
24. Home health aide or attendant: Nursing services provided by a licensed practitioner are allowable in full for food stamp, also see the note in KEESM 7224. For medical, nursing services are allowed per item (25). Other home health services are allowable as follows:
 - a. For persons determined to meet LOC requirements for HCBS or institutional care, including those on a waiting list or serving a transfer penalty, services are allowable up to a monthly maximum of \$1000.00/month. These include services provided by a home health agency (such as Kelly Home Care Services) or other provider. Services provided by a spouse or if a minor child, a parent, are not allowable. Services must be itemized and must be consistent with the diagnosis/medical need.
 - b. For persons who do not meet LOC requirements, including those who have not yet been screened, medically necessary home health aid/attendant costs are allowable up to a maximum of \$250.00/per month.

Amounts in excess of these must be submitted to EES Administration for review. In addition, the limits described above do not apply to food assistance.

25. Home modifications (including the cost of building a ramp for a wheelchair) of \$500.00 or less.
26. Hospitalization: inpatient or outpatient treatment.
27. Insurance Expenses: Premiums for health insurance policies, including major medical and limited policies (such as hospitalization, long term care, cancer, ambulance and dental plans) except for those plans which provide only lump sum settlements for death or dismemberment or continue mortgage or loan payments while the insured is disabled. Premiums for hospital indemnity plans which provide a specified per diem rate are allowable if the policy indicated the payments are intended to cover medical expenses. Medicare premiums not subject to buy-in are also allowable. For food assistance, only the portion of the premium for the elderly or disabled member may be allowed. If this amount cannot be readily determined, a prorated portion of the premium is allowed.

Insurance copayments, coinsurance and deductibles are also allowable. Medicare cost sharing is covered in full for persons QMB eligible and is not allowable for those consumers.

28. I.V. stands, clamps and arm boards.
29. Intermittent Positive Pressure Breathing (IPPB) machines.
30. Irrigation solution, such as sterile H₂O or normal saline.

31. Lifts - Including chair and van lifts. Costs of the mechanism or repairs to the mechanism only.
32. Medicaid cost sharing. Medicaid copayments are allowable. For FS, the HCBS obligation, the PACE obligation and Working Healthy premium are allowable.
33. Medical equipment and supplies for use in a sickroom, including rental expenses.
34. Medical alert devices (e.g. LIFELINE) that can be activated in an emergency- the costs of purchase or rental, including installation charges. Pagers for persons awaiting an organ transplant are also allowable.

For medical only, medical ID bracelets and necklaces noting the individual's specific condition.

35. Nebulizers.
36. Nursing care provided by a licensed nurse (RN, LPN).
37. For food assistance only, nursing home care and hospital payments made by the household for an individual who was a food assistance household member immediately prior to entering a hospital or nursing home.
38. Oxygen supplies and equipment such as masks, stands, tubing, regulators, hoses, catheters, cannulas and humidifiers which are part of the oxygen apparatus.
39. Podiatry Services.
40. Prosthetics, including purchase, rental and repair.
41. Psychiatry.
42. Rehabilitation Services.
43. Sheepskins, foam pads.
44. Sleep apnea devices.
45. Smoking cessation treatments, such as Nicoderm and patches.
46. Stethoscopes, sphygmomanometers (blood pressure cuff) and other examination equipment.
47. Suction pumps and tubing.
48. Syringes and needles.
49. Targeted Case Management: TCM services provided by an entity authorized to provide TCM under the Kansas Medicaid program are allowable.

- 50. Telephone fees (monthly charges) for amplifiers and warning signals for persons with disabilities and the costs of typewriter equipment that is connected to the telephone for deaf persons.
- 51. Transportation and lodging to obtain medical treatment or services which are covered by Medicaid or are considered medically necessary, including to and from services included on the HCBS plan of care. Lodging costs may also be allowed for 1 attendant, if necessary. Waiting time is allowed for commercial providers only. Ambulance transportation is allowable.

Private vehicle mileage is allowable at the current state reimbursement rate for privately owned vehicles, including the enhanced rate for specially equipped or modified vehicles to accommodate a disability. Commercial transportation is allowable at the usual and customary rate of the provider.

- 52. TED Hose.
- 53. TENS units (transcutaneous electric nerve simulator), if used for pain relief only. Units used for weight loss are not allowable.
- 54. Traction and trapeze apparatus and equipment.
- 55. Vehicle modifications for a person with a disability- the costs of the modifications only.
- 56. Walkers.
- 57. Wheelchairs – maintaining, replacement and repair. A motorized wheelchair or scooter is allowable in lieu of a wheelchair.